



House of Representatives

General Assembly

File No. 185

January Session, 2017

Substitute House Bill No. 7032

House of Representatives, March 23, 2017

The Committee on Banking reported through REP. LESSER of the 100th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT REGARDING THE OFFICE OF THE STATE TREASURER'S
RECOMMENDED REVISIONS TO THE ACHIEVING A BETTER LIFE
EXPERIENCE PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-39j of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this section and sections 3-39k to 3-39q, inclusive:

4 (1) "Achieving a better life experience account" or "ABLE account"
5 means an account established and maintained pursuant to sections 3-
6 39k to 3-39q, inclusive, for the purposes of paying the qualified
7 disability expenses related to the blindness or disability of a
8 designated beneficiary.

9 (2) "Contracting state" means a state without a qualified ABLE
10 program that has entered into a contract with [the State Treasurer or
11 other officer of this] a state with a qualified ABLE program to provide
12 residents of the contracting state with access to qualified ABLE

13 programs.

14 (3) "Deposit" means a deposit, payment, contribution, gift or other
15 transfer of funds.

16 (4) "Depositor" means any person making a deposit into an ABLE
17 account pursuant to a participation agreement.

18 (5) "Designated beneficiary" means any eligible individual [state
19 resident or resident of a contracting state originally designated in the
20 participation agreement who is an eligible individual and] who has
21 established an ABLE account under a qualified ABLE program and is
22 the owner of [an] such ABLE account.

23 (6) "Disability certification" means, with respect to an individual, a
24 certification to the satisfaction of the Secretary of the Treasury of the
25 United States by the individual or the parent or guardian of the
26 individual that (A) certifies that (i) the individual has a medically
27 determinable physical or mental impairment, that results in marked
28 and severe functional limitations, and that can be expected to result in
29 death or that has lasted or can be expected to last for a continuous
30 period of not less than twelve months, or is blind within the meaning
31 of Section 1614(a)(2) of the Social Security Act, and (ii) such
32 impairment or blindness occurred before the date on which the
33 individual attained the age of twenty-six, and (B) includes a copy of
34 the individual's diagnosis relating to the individual's relevant
35 impairment or blindness that is signed by a physician who is licensed
36 pursuant to chapter 370 or, to the extent permitted by federal law, (i)
37 an advanced practice registered nurse who is licensed pursuant to
38 chapter 378, or (ii) if the individual's impairment is blindness, an
39 optometrist licensed pursuant to chapter 380.

40 (7) "Eligible individual" means an individual who is entitled to
41 benefits during a taxable year based on blindness or disability under
42 Title II or XVI of the Social Security Act, and such blindness or
43 disability occurred before the date on which the individual attained
44 the age of twenty-six, provided a disability certification with respect to

45 such individual is filed with the State Treasurer for such taxable year.

46 (8) "Federal ABLE Act" means the federal ABLE Act of 2014, P.L.
47 113-295, as amended from time to time.

48 (9) "Participation agreement" means an agreement between the trust
49 established pursuant to section 3-39k and depositors that provides for
50 participation in an ABLE account for the benefit of a designated
51 beneficiary.

52 (10) "Qualified disability expenses" means any expenses related to
53 an eligible individual's blindness or disability that are made for the
54 benefit of an eligible individual who is the designated beneficiary,
55 including the following expenses: Education, housing, transportation,
56 employment training and support, assistive technology and personal
57 support services, health, prevention and wellness, financial
58 management and administrative services, legal fees, expenses for
59 oversight and monitoring, funeral and burial expenses, and other
60 expenses that are approved by the Secretary of the Treasury of the
61 United States under regulations adopted by the Secretary pursuant to
62 the federal ABLE Act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-39j

BA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which alters definitions regarding the Achieving a Better Life Experience (ABLE) account, has no fiscal impact. The definitional changes allow the Office of the State Treasurer to implement the program through a contract with a state that has an established ABLE account.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sHB 7032*****AN ACT REGARDING THE OFFICE OF THE STATE TREASURER'S
RECOMMENDED REVISIONS TO THE ACHIEVING A BETTER LIFE
EXPERIENCE PROGRAM.*****SUMMARY**

This bill removes the requirement that designated beneficiaries of federally qualified Achieving a Better Life Experience (ABLE) accounts be residents of Connecticut, or a state it contracts with to provide ABLE accounts to Connecticut residents. As under current law, the bill requires a beneficiary to be eligible (i.e., meet the disability requirements) and an owner of a qualified ABLE account. The bill also makes a technical and conforming change.

The bill also expands the definition of “contracting state” for the purposes of the ABLE program to mean any state without a qualified ABLE program that, in order to provide its residents with access to such a program, contracts with a state with one. Current law defines a “contracting state” as a state without a program that has contracted with Connecticut for this purpose. However, under the bill the term “contracting state” is not used in the subsequent ABLE statutes, so it appears that this provision has no legal effect.

EFFECTIVE DATE: Upon passage

BACKGROUND***Federal Law***

The 2014 federal ABLE Act (P. L. 113-295) allows states to establish and maintain qualified ABLE programs to:

1. encourage and help individuals and families save private funds to support individuals with disabilities to maintain health,

independence, and quality of life and

2. provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not replace, benefits provided through private insurance, Medicaid, SSI, employment, and other sources.

Generally, under federal law, qualified ABLE programs are exempt from federal taxation, and funds in ABLE accounts may not be considered when determining eligibility for benefits or assistance programs authorized by federal law unless the funds exceed \$100,000.

State Law

PA 15-80 required the state treasurer to establish and administer an ABLE program. However, the state program has not yet been implemented.

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/07/2017)